

LEASE AGREEMENT

BETWEEN

WASHINGTON REAL ESTATE INVESTMENT TRUST

AND

MONTGOMERY COUNTY, MARYLAND

DATED: 7/16/07

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LEASE AGREEMENT

THIS AGREEMENT, entered into this 16th day of July, 2007, by and between the WASHINGTON REAL ESTATE INVESTMENT TRUST, having an address of 6110 Executive Boulevard, Suite 800, Rockville, Maryland 20850, (hereinafter referred to as "Landlord") and MONTGOMERY COUNTY, MARYLAND, (hereinafter referred to as "the County"). (The Landlord and the County together the "Parties")

WITNESSETH:

In consideration of the rent hereinafter reserved, and the covenants hereinafter contained, the Parties hereto mutually agree as follows:

1. LEASED PREMISES: Landlord does hereby lease and demise unto the County and the County hereby leases from the Landlord the premises comprising 9,669 square feet of space ("Leased Premises") located on the third floor of the building known as 51 Monroe Street ("Building"), whose address is 51 Monroe Street, Rockville, Maryland 20852, in its "as-is" condition, subject to the Improvements to be performed in accordance with paragraph 8, Tenant's Improvements, and as shown on "Exhibit A" attached hereto and made a part hereof.

2. TERM: The term of this Lease is for five (5) years', commencing on the date the Improvements, defined in paragraph 8 herein, are substantially completed by Landlord (the "Commencement Date") and expiring on the expiration of the sixtieth (60th) full calendar month thereafter.

3. OPTION TO EXTEND TERM:

Landlord hereby grants to Tenant the conditional right, exercisable at Tenant's option, to renew the term of this Lease for one (1) term ("Renewal Term") of five (5) consecutive years. If exercised, and if the conditions applicable thereto have been satisfied, the Renewal Term shall commence on the day immediately following the expiration date as provided in this Lease. The

right of renewal herein granted to Tenant with respect to the Renewal Term shall be subject to, and shall be exercised in accordance with, the following terms and conditions:

A. Tenant shall exercise its right of renewal with respect to the Renewal Term by giving Landlord written notice ("Tenant's Renewal Option Notice") thereof not later than six (6) months nor more than nine (9) months prior to the Expiration Date of the then-current Term. Within fifteen (15) days of the later of: i) Landlord's receipt of Tenant's Renewal Option Notice; ii) six (6) months prior to the Lease Expiration Date of the then current Term, Landlord shall give Tenant written notice ("Landlord's Renewal Notice") specifying the Basic Annual Rent, which shall be not less than the then escalated rent, that Tenant shall be obligated to pay during the Renewal Term. Within fifteen (15) days of Tenant's receipt of Landlord's Renewal Notice, Tenant shall give Landlord written notice ("Tenant's Renewal Option Acceptance Notice") of Tenant's acceptance of the Basic Annual Rent specified in Landlord's Renewal Notice.

B. In the event the Tenant's Renewal Option Notice or Tenant's Renewal Option Acceptance Notice is not given timely or is not given, Tenant's right of renewal with respect to the Renewal Term shall lapse and be of no further force or effect. The renewal option may be exercised only with respect to the entire Premises, not with respect to only a part of the Premises.

C. In the event there has been an Event of Default under this Lease prior to or on the date Tenant's Renewal Option Notice or Tenant's Renewal Option Acceptance Notice is sent or any time thereafter up to and including the date such Renewal Term is to commence, then, at Landlord's option, such Renewal Term shall not commence and the Term shall expire on the date the Term would have expired without such renewal.

D. If at the time Tenant provides Tenant's Renewal Option Notice or Tenant's Renewal Option Acceptance Notice, or at any time thereafter until the Renewal Term is to commence, Tenant has subleased more than thirty percent (30%) of the rentable area of the Premises, or Tenant has assigned this Lease, then, at Landlord's option, Tenant's rights pursuant to this Section shall lapse and be of no further force or effect.

E. Any termination of this Lease shall terminate all rights of extension hereunder.

F. During the Renewal Term, all the terms, conditions, covenants and agreements set forth in this Lease shall continue to apply and be binding upon Landlord and Tenant, except that: (i) the Basic Annual Rent for the Premises, including any and all expansion space leased by Tenant pursuant to this Lease, shall be the rent specified in Landlord's Renewal Notice, (ii) in no event shall Tenant have the right to renew the Term beyond the expiration of the Renewal Term provided for in this Section, (iii) Tenant accepts the Premises on an "as is" basis as of the date of commencement of such renewal. Notwithstanding anything to the contrary in the foregoing sentence, to the extent that Tenant received any tenant concessions such as rent abatement or allowances, then such concessions for the Premises shall not apply to the Renewal Term.

G. After receiving Tenant's Renewal Option Acceptance Notice, Landlord shall prepare and submit to Tenant an amendment to this Lease amending the Term and the Basic Annual Rent. In the event Tenant fails to execute such amendment within thirty (30) days of Tenant's receipt of such amendment, then Tenant's right to renew this Lease as provided in this Section shall be null and void and of no further force or effect and the Lease shall terminate on the expiration date of this Lease.

4. RENT: The County shall pay or cause to be paid to the Landlord the annual and monthly amounts listed in the following schedule:

<u>Term</u>	<u>Annual</u>	<u>Monthly</u>	<u>Rate</u>
Year 1	\$270,732.00	\$22,561.00	\$28.00/s/f
Year 2	\$281,561.28	\$23,463.44	\$29.12/s/f
Year 3	\$292,777.32	\$24,398.11	\$30.28/s/f
Year 4	\$304,573.50	\$25,381.13	\$31.50/s/f
Year 5	\$316,756.44	\$26,396.37	\$32.76/s/f

All payments are to be made in advance of the first day of each month, during each lease year, and shall be payable to WASHINGTON REAL ESTATE INVESTMENT TRUST, having an address of 6110 Executive Boulevard, Suite 800, Rockville, Maryland 20850.

5. REAL ESTATE TAXES:

A. Commencing with the first Calendar Year following the Base Year (as defined below) and every Calendar Year thereafter, Landlord will forward to the County a statement and

copies of paid tax receipts setting forth the amount of Real Estate Taxes (as hereinafter defined) levied or imposed against the Property of which the Leased Premises are a part. The County shall pay, as additional rent, upon receipt of the Landlord's statement and receipts, but in no event more than thirty (30) days after receipt of Landlord's statement and receipts, any increase in the said Real Estate Taxes over the Real Estate Taxes assessed against the Property of which the Leased Premises are a part during the Base Year. The "Base Year" shall be defined as the period commencing January 1, 2007 and ending on December 31, 2007. The Landlord's statement must contain copies of Real Estate Tax billings for the Base Year as well as the tax year for which the payment is required.

B. The term "Real Estate Taxes" means the County's proportionate share of property taxes and assessments, general and special, levied or imposed by appropriate taxing authorities with respect to the Property as defined below. If the system of real estate taxation is altered or varied or any new tax or levy is levied or imposed by an appropriate taxing authority, the new tax or levy will be included within the term "Real Estate Taxes."

C. The County shall pay to the Landlord said increased taxes as additional rent for the County's proportionate share of the Building, which share is determined to be four and 61/100 percent (4.61%) within thirty (30) days after receipt of Landlord's statement. The County proportionate share is computed as follows:

9,669 square feet leased
4.61%
209,884 Building square feet

6. PARKING: Landlord hereby grants Tenant a license to use up to fifteen (15) unreserved parking spaces. Tenant shall pay Landlord or its agent at Landlord's direction, in advance, a monthly parking fee without abatement, deduction, offset, demand or counterclaim for the foregoing parking spaces in the amount of \$75.00 per space per month which shall be deemed Additional Rent. The foregoing fee is subject to increase. Tenant agrees to comply and shall cause its officers, employees, agents and contractors to comply with all rules and regulations promulgated by Landlord with respect to the parking of vehicles. In the event that the Tenant wishes to license less than the fifteen (15) unreserved parking spaces, Tenant shall make such request in writing to Landlord.

7. USE: The County covenants and agrees that said Leased Premises shall be used and occupied by the Montgomery County Government as general government offices, and for no other purposes. The County shall have the right to occupy and use the Leased Premises 24 hours a day, seven days a week.

8. TENANT IMPROVEMENTS: Landlord shall perform those improvements as detailed on the Tenant Improvement Plan Specification attached to this Lease as Exhibit B.

9. COUNTY PROPERTY DAMAGE AND LIABILITY INSURANCE:

A. The County shall obtain and maintain, during the full term of this Lease, and any extension thereof, a policy of commercial general liability insurance with bodily injury limits of \$200,000 (Two Hundred Thousand Dollars) per occurrence, and property damage insurance with a limit of \$100,000 (Two Hundred Thousand Dollars). The County shall have the right to self-insure. These are the maximum limits of liability for which the Montgomery County Self-Insurance Program is responsible, under the Local Government Tort Claims Act, Ann. Code, Cts & Jud. Proc. Sect. 5-301 et seq. (2002 Repl. Vol) as amended. The County will name Landlord and, at Landlord's request, any Mortgagee and Landlord's agents as additional insureds on all insurance policies required of the County under this Lease.

B. The County agrees that it will not keep in or upon the Leased Premises any article which may be prohibited by the standard form of fire or hazard insurance policy.

C. The County will indemnify Landlord and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence upon or at the Leased Premises, or the occupancy or use by County of the Leased Premises or any part thereof, or the County's use of the exterior areas provided by Landlord for the comfort and convenience of County, occasioned wholly or in part, to such extent, by any act or omission of County, its agents, contractors, or employees, excepting claims arising out of the acts or omissions of the Landlord, the Landlord's agents, and employees. Provided, however, that the Landlord provides notice of claim to the County immediately. County shall indemnify Landlord against any penalty, damage or charge incurred or imposed by reason of County's violation of any law or ordinance.

D. The County further agrees that all personal property in the Leased Premises shall be and remain at County's sole risk, and Landlord shall not be liable for any damage to or loss of such personal property excepting damage arising out of the acts or omissions of the Landlord, Landlord's agents, contractors or employees.

E. Within thirty (30) days of Landlord's written request, the County shall deliver to Landlord a certificate of insurance evidencing the coverage described above.

F. Any indemnification given by the County is subject to the notice requirements and damages limitations stated in the Local Government Tort Claims Act, Md. Code Ann., Cts. & Jud. Proc. Sec. 5-301, et seq. (2006 Repl. Vol.) (the "LGTCA"); Md. Code Ann. Art. 25A, Sec. 1A (2005 Repl. Vol.); and Md. Code Ann., Cts. & Jud. Proc. Sec. 5-509 (2006 Repl. Vol.), (together the "County Indemnification Statutes"), all as amended from time to time.

10. LANDLORD PROPERTY DAMAGE AND LIABILITY INSURANCE

A. Landlord shall obtain and maintain, during the full term of this Lease, and any extension thereof, a policy of general liability insurance with limits of One Million Dollars (\$1,000,000) per occurrence for bodily injury and property damage, including fire legal liability, contractual liability, products and completed operations, personal injury and broad form property damage. Montgomery County must be named as Additional Insured on all liability policies.

B. The Landlord shall provide a Special Form-Causes of Loss Property Policy to protect the interest of the Landlord and the County against loss caused by the perils insured in the amount of One Hundred Percent (100%) of the Landlord's and the County's insurable interests of the Building. The policy shall also endorse a demolition clearing clause, extra expense and loss of use coverages with a sublimit of One Million Dollars (\$1,000,000.00) per occurrence. The policy must name Montgomery County, Maryland as loss payee.

C. Within thirty (30) days of the County's written request, Landlord shall provide a certificate of insurance evidencing the coverage above.

D. Landlord will indemnify County and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury

and/or damage to property, business interruption and loss of use arising from or out of any occurrence upon or at the Leased Premises, or the occupancy or use by Landlord of the Leased Premises or any part thereof including exterior areas, to such extent, by any negligent act or omission of Landlord, its agents, contractors, or employees, excepting claims arising out of the acts or omissions of the County, the County's agents, and employees. Provided, however, that County provides to Landlord immediate notice of any and all claims under which County will rely on this indemnification. Landlord shall indemnify County against any penalty, damage or charge incurred or imposed by reason of Landlord's violation of any law or ordinance.

11. ACCESS: County will allow Landlord or Landlord's agents to have access to the Leased Premises upon three (3) days notice to County, except in the event of emergency and at all reasonable times for the purpose of inspection or in the event of fire or other property damage, or for the purpose of performing any maintenance and repairs Landlord may consider necessary or desirable; or for the Landlord to show the Leased Premises to prospective tenants during the twelve (12) months preceding expiration of the Lease Term and to prospective purchasers and mortgagees at all reasonable times upon reasonable notice to County; provided, however, Landlord shall not interfere with the County's use of the Leased Premises. Landlord shall provide controlled access to the front and rear entrances to the Building, and at least one elevator after normal full service Building hours.

12. SERVICES: Landlord, at Landlord's expense, shall provide full service maintenance including but not limited to all utilities for normal office use maintenance and repairs, trash removal and pest control within the Leased Premises. Landlord, at Landlord's expense, shall provide janitorial services within the Leased Premises, after 6:00 P.M., Monday through Friday Landlord shall be responsible for cleaning the common area and the outside Building areas including sidewalks, walkways, and pavement areas, keeping same free and clear of snow and ice. The Landlord shall also provide trash receptacles in the Building and an area for recycling. The Landlord shall also make all necessary maintenance, repairs and replacements to all roof water protection, including the roof, flashing, gutters, downspouts, and roof drains, all exterior walls, interior columns, windows, interior concrete slabs, and the foundation.

A. Maintenance and Repairs – Emergencies: In the event Landlord fails to provide emergency maintenance and repair with dispatch and due diligence appropriate to the

condition after notice from the County, then County shall have the right but not the obligation to correct these problems and be reimbursed the reasonable cost thereof by Landlord.

B. Maintenance and Repairs – Routine: In the event Landlord fails to correct routine maintenance and repair problems in the Leased Premises within ten (10) days after notification of same by the County, County shall have the right but not the obligation to correct these problems, and be reimbursed the reasonable cost thereof by Landlord.

If Landlord, at any time during the Lease Term, shall default in any material respect the performance or observance of any obligation on Landlord's part to be performed or observed pursuant to Articles 11 and 12 of the Lease, and shall not cure such default within thirty (30) days after receipt of written notice thereof from County (or shall not within said period commence to cure such default and thereafter prosecute the curing of such default to completion with due diligence), then, provided County is not then in default under the Lease, beyond applicable notice and grace periods, County may, at its option, but is under no obligation to so act, cure such default, and Landlord agrees to reimburse County the amounts reasonably incurred by County in so doing within a reasonable period of time agreed to by both County and Landlord; provided that County shall not undertake maintenance, repairs and/or replacements to any structural element of the Building or the roof thereof or to any Building service equipment or system which serves or may affect any space in the Building other than the Leased Premises. Notwithstanding the foregoing, in no event shall County be entitled to set-off or deduct any amounts incurred by County hereunder against the Annual Base Rent due under the Lease. A default of performance or observation of any obligation under Paragraphs 9, 10, 11, and 12 of the Lease if not cured as provided above can, at the option of County and after notice is given, be considered a default of the Lease and County shall have those rights prescribed under Paragraph 18 below.

13. HVAC: Landlord agrees to maintain, repair or replace the existing heating, ventilation and air conditioning system. The air conditioning shall be so balanced as to provide a temperature range between 72 and 78 degrees. The heating shall be so balanced as to provide a temperature range between 68 and 72 degrees. Landlord shall, during emergencies, change these temperature guidelines in accordance with Federal, State and local requirements. Landlord agrees to provide heating and air conditioning to the Leased Premises during those seasons of the year when such services are required, from 8:00 am until 6:00 pm, Monday through Friday and from 8:00 am until 1:00 pm on Saturdays, exclusive of legal County, State or Federal holidays. The

County shall have the right to pay for additional hours of HVAC during the hours that such services are not provided under this Lease for the Leased Premises. The rate of such service shall be at Landlord's standard charge, as determined by Landlord from time to time, in Landlord's sole discretion, for after hours HVAC and shall be subject to future increases. The County shall provide the Landlord written notice of its need for such additional use at least three (3) days prior to the need of such additional use.

14. ALTERATIONS, ADDITIONS AND IMPROVEMENTS:

A. County will not make any alterations, additions, or improvements of any kind to the Leased Premises without the Landlord's written consent, which consent shall not be unreasonably withheld. County shall provide Landlord with plans and specifications of said work. County agrees to reimburse Landlord for all costs incurred by Landlord in reviewing County's proposed changes or additions and improvements and provided further that, in order to protect the functional integrity of the Building, Landlord shall have the right to approve County's contractor, and such approval shall not be unreasonably withheld, conditioned or delayed. Upon receipt of Landlord's written approval of the County's plans and specifications, County may proceed to perform the work at County's expense, or at County's option, County may request that Landlord perform said work at County's expense and at negotiated prices. County shall pay for any work performed by Landlord on County's behalf after inspection by County and within thirty (30) days from the submission of an invoice by Landlord for work reasonably approved by County, as additional rent hereunder.

B. All alterations, additions, or improvements made by either of the Parties upon the Leased Premises shall become the property of the Landlord and shall remain upon and be surrendered with the Leased Premises upon the termination of this Lease unless Landlord requires County to remove such property at the time Landlord approves installation of such improvements. County shall, with Landlord's written consent, which shall not be unreasonably withheld, conditioned or delayed, have the right to install any furniture or office machinery necessary in the conduct of its business within the Leased Premises, and the same shall remain the property of the County, and shall be removed by County upon the termination of this Lease.

C. Landlord will not approve any construction, alterations or additions requiring unusual expense to readapt the Leased Premises to normal office use upon Lease termination or increase the cost of construction, insurance or taxes on the Building or of Landlord's services called

for by this Lease unless County first gives assurances acceptable to Landlord that such re-adaptation will be made prior to Lease termination without expense to Landlord and makes provisions acceptable to Landlord for payment of such increased cost. All changes and additions shall be part of the Building except such items as by writing at the time of approval the Parties agree shall be removed by County upon termination of this Lease.

15. NOTICE OF DEFECTS: The County shall provide Landlord with prompt notice of accidents on or damages to the structure, equipment, or fixtures of the Leased Premises, or notice of need for repairs in the roof, plumbing, electric and heating systems, to be remedied by Landlord in accordance with the terms of this Lease, of which the County has actual knowledge of having occurred.

16. ASSIGNMENT AND SUBLEASING: The County shall not assign this Lease. However, it shall not be considered an assignment of this Lease or a sublease of the Leased Premises if the County introduces a different agency of the County government as an occupant of the Premises, or otherwise modifies its use of the Premises, provided that any such modification of the County's permitted use shall nevertheless be subject to the Landlord's consent in accordance with other related provisions of this Lease.

17. COUNTY'S COVENANTS: The County covenants and agrees:

A. To pay the rent as provided in the Lease to Landlord and until the Lease expiration date or until possession is redelivered to Landlord, if this occurs after the Lease expiration date.

B. Not to strip or overload, damage or deface the Leased Premises or hallways, stairways, elevators or other approaches thereto.

C. Not to suffer or permit any trade or occupation to be carried on or use made of the Leased Premises which shall be unlawful, noisy, offensive or injurious to any person or property, or such as to increase the danger of fire or make void or voidable any insurance on said Building, in Landlord's concern to maintain the first-class business (non-medical, non-lab) nature of the Building.

D. Not to move any furniture or equipment into or out of the Leased Premises without Landlord's consent thereto, which consent shall not be unreasonably withheld.

E. Not to place upon the interior or exterior of the Building or any window or other part thereof or door of the Leased Premises any placard, sign, covering or drapes, except such and in such place as shall have been first approved by Landlord, which approval shall not be unreasonably withheld. To remove, at County's expense, any changes, additions, signs, curtains, blinds, shades, awnings, aerals, flag poles, or the like not consented to in writing.

F. To conform to all rules and regulations from time to time established by appropriate insurance rating organizations, and to all reasonable rules and regulations from time to time established by Landlord. Any rules and regulations provided by Landlord, other than as set forth in the Lease, must be in writing and shall not be effective until thirty (30) days after receipt of notice by the County of such new rule or regulation.

G. To keep the Leased Premises equipped with all safety appliances required by law or ordinance or any other regulation of any public authority because of any use made by County and to procure all licenses and permits so required because of such use and, if requested by Landlord, to do any work so required because of such use, it being understood that the foregoing provisions shall not be construed to broaden in any way County's Permitted Use.

H. To keep all of County's employees working in the Leased Premises covered by worker's compensation insurance in statutory amounts and to furnish Landlord with a current certificate thereof. County reserves the right to self-insure.

18. DESTRUCTION OF LEASED PREMISES: In the event of damage or destruction of the Leased Premises by fire or any other casualty, this Lease shall not be terminated, but the Leased Premises shall be promptly and fully repaired and restored as the case may be by the Landlord to the extent of Landlord's insurance proceeds provided such repair and or restoration returns the Leased Premises to substantially the condition prior to such damage or destruction. Due allowance, however, shall be given for reasonable time required for adjustment and settlement of insurance claims, and for such other delays as may result from government restrictions, and controls on construction, if any, and for strikes, national emergencies and other conditions beyond the control of the Landlord. It is agreed that in the event of damage or destruction, this Lease shall continue in full force and effect, except for abatement of rent as provided herein. If the condition is such as to make the entire Leased Premises "Untenantable", then the rental which the County is

obligated to pay hereunder shall abate as of the date of the occurrence until the Leased Premises have been fully restored by the Landlord. Any unpaid or prepaid rent for the month in which said condition occurs shall be prorated and credited or paid to the appropriate party. If the Leased Premises are partially damaged or destroyed, then during the period that County is deprived of the use of the damaged portion of said Leased Premises, County shall be required to pay rental prorated to reflect that portion of the Leased Premises which continues to be "Tenantable" and appropriate for County's use. Landlord will proceed at its expense and as expeditiously as may be practicable to repair the damage. Notwithstanding any of the foregoing, in the event of substantial damage or destruction, and Landlord should decide not to repair or restore the Leased Premises or the Building, in which event and at Landlord's sole option, Landlord may terminate this Lease forthwith, by giving County a written notice of its intention to terminate within sixty (60) days after the date of the casualty. No compensation, or claim, or diminution of rent other than as described above will be allowed or paid, by Landlord, by reason of inconvenience, annoyance, or injury to business, arising from the necessity of repairing the Leased Premises or any portion of the Building of which they are a part.

19. DELIVERY OF THE LEASED PREMISES: County covenants at the expiration or other termination of this Lease, to remove all goods and effects from the Leased Premises not the property of Landlord, and to yield to Landlord the Leased Premises and all keys, locks and other fixtures connected therewith (except trade fixtures and other fixtures belonging to County), in good repair, order and condition in all respects, reasonable wear and use thereof and damage by fire or other casualty and damage from any risk for which County is not herein expressly made liable excepted.

20. DEFAULT:

A. By County: In the event that rent, or any installment thereof, shall remain unpaid after it becomes due and payable, for ten (10) days after written notice to the County for same, or if County or County's assigns shall fail or neglect to keep and perform each and every one of the terms of this Lease, and such failure or neglect continues for more than thirty (30) days (or such period as may reasonably be required to correct the default with exercise of due diligence,) after written notice to County from the Landlord specifying the default, then at the option of the Landlord, the Landlord and his assigns may proceed to recover possession under the laws of the

State of Maryland. Landlord may also pursue any rights and remedies available for such default under the laws of the State of Maryland.

B. By Landlord: In the event that the Landlord or his assigns shall fail or neglect to keep and perform each and every one of the covenants, conditions, and agreements contained herein, and such failure or neglect is not remedied within thirty (30) days (or such period as either otherwise provided herein on as may reasonably be required to correct the default with exercise of due diligence) after written notice from the County or his assigns specifying the default, then the County or his assigns, at County's option, may pursue any and all legal remedies available. It is understood, however, that Landlord shall be entitled to notice, hearing and opportunity to cure or contest any claimed violations of the foregoing as to the full extent provided by federal, state or local law.

C. No default as hereinbefore provided shall be deemed complete unless at the time Landlord or County seeks to take any action based upon such alleged default the same shall remain uncured by the defaulting party.

21. HOLDOVER: If County shall hold possession of the Leased Premises after the expiration or termination of this Lease, at Landlord's option (i) County shall be deemed to be occupying the Leased Premises as a Tenant from month to month, during which time either party may terminate this Lease on thirty (30) days written notice, and will be otherwise subject to all of the terms and conditions of this Lease, or (ii) Landlord may exercise any other remedies it has under this Lease or at law in equity including an action for holding over after the date stipulated in Landlord's notice above.

22. QUIET POSSESSION: Contingent on the performance of all covenants, conditions and agreements herein contained to be performed on the County's part, the County shall at all times during the term of this Lease have the peaceable and quiet enjoyment and possession of the Leased Premises for the purposes herein cited.

23. STATUTORY PROVISIONS: It is understood, agreed and covenanted by and between the Parties that the Landlord and County, as their interests may appear and at their respective expense, will promptly comply with, observe and perform all of the requirements of all

applicable Federal, State, County and Local statutes, ordinances, rules, orders and regulations in effect during the Lease Term.

24. WAIVER: The waiver at any time by the Landlord or County of any particular covenant or condition of this Lease shall extend to the particular case only, and for the particular time and in the particular manner specified, and such waiver shall not be construed or understood as waiving any further or other rights of any character whatsoever. No endorsement or statement on any check or letter accompanying a check for payment of rent shall be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or to pursue any other remedy provided in this Lease.

25. NON-DISCRIMINATION: Landlord agrees to comply with the non-discrimination policies in County contracts as required by Section 11B-33 and Section 27 of the Montgomery County Code 2004, as amended, as well as all other applicable state and federal laws and regulations regarding employment discrimination. The Landlord assures the County that in accordance with applicable law; it does not, and agrees that it will not discriminate in any manner on the basis of race, color, religious creed, sex, martial status, national origin, ancestry, disability, sexual orientation or genetic status.

26. NON-APPROPRIATION: This Lease is subject to the appropriation of funds. If funds are not appropriated, for any reason whatsoever, the Lease will automatically terminate on July 1 of the calendar year which the County does not appropriate funds. County shall give Landlord at least thirty (30) days written notice of the lack of appropriation. The County shall not make or be entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items.

27. CONTRACT SOLICITATION: Landlord represents that it has not retained anyone to solicit or secure this Lease from Montgomery County, Maryland, upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established, licensed commercial selling or leasing agencies maintained by the Landlord for the purpose of securing business or an attorney rendering professional legal service consistent with applicable canons of ethics.

28. PUBLIC EMPLOYMENT: Landlord understands that unless authorized under Chapter 19A and Section 11B-52 of the Montgomery County Code 2004, as amended, it is

unlawful for any person transacting business with Montgomery County, Maryland, to employ a public employee for employment contemporaneous with his or her public employment.

29. CONDEMNATION: In the event that the Leased Premises, or any part thereof, or more than twenty-five percent (25%) of the Building of which the Leased Premises are a part is taken or condemned for public use or purpose by any competent authority, County shall have no claim against the Landlord and shall not have any claim or right to any portion of the amount that may be awarded as damages or paid as a result of any such condemnation; and all rights of the County to damages therefore, if any, are hereby assigned by the County to the Landlord. Upon such condemnation or taking, the term of this Lease shall cease and terminate from the date of such governmental taking or condemnation and the County shall have no claim against the Landlord for the value of any unexpired term of this Lease. The foregoing notwithstanding, County shall be entitled to claim, prove and receive in the condemnation proceedings such awards as may be allowed for relocation expenses and for fixtures and other equipment installed by County which shall not, under the terms of this Lease, be or become the property of Landlord at the termination hereof, but only if such an award is made by condemning authorities in addition to and stated separately from the award made for the land and the Building or parts thereof so taken.

30. GENERAL PROVISIONS:

A. Entire Agreement: It is further understood and agreed that this instrument contains the entire agreement between the Parties hereto and shall not be modified in any manner except by an instrument in writing duly executed by the Parties hereto.

B. Rights and Remedies: In addition to any and all rights and remedies specifically mentioned in this Lease, Landlord and County shall have all rights and remedies granted by Law or in equity. Resort to one remedy shall not be construed as a waiver of any other remedy. Failure by Landlord or County to resort to any or all of their respective rights or remedies shall not be considered to be a waiver of such rights or remedies, nor to be acquiescence of any party in any action or default.

C. Governing Law: The provision of this Lease shall be governed by the laws of the State of Maryland. If any term of this Lease or any application thereof shall be invalid or

unenforceable, the remainder of this Lease and any other application of such term shall not be affected thereby.

31. SUBORDINATION: Landlord shall have the absolute right to encumber the Leased Premises set forth in this Lease and the Lease, at the option of Landlord, shall be subordinate to such encumbrance or encumbrances. County agrees to sign acceptable and appropriate papers for subordination within twenty (20) business days after Landlord's written request, provided such subordination shall be upon the express condition that the Lease shall be recognized by the holder of the encumbrance and the rights of County shall remain in full force and effect during the initial Lease term or any extension thereof. In the event of a sale or transfer of the title to the aforesaid land and premises, any transferee shall be entitled to have this Lease subordinated to the lien and effect of any first deed of trust or mortgage to secure purchase money. The County agrees to execute subordination documents stating that the Lease is subordinated subject to the conditions in this Paragraph.

This Lease is subject and subordinate to all prior recorded encumbrances on the Property. In addition to or instead of a subordination agreement, the Landlord or the Landlord's successor in interest of transfer may request the County execute an Estoppel Certificate in the form attached as Exhibit C and made a part of this Lease and the County agrees to return such Estoppel Certificate within thirty (30) days after the written request from Landlord.

32. BENEFIT AND BURDEN: The provisions of this Lease shall be binding upon, and shall inure to the benefit of the Parties hereto and each of their respective representative, successors and assigns.

33. WAIVER OF JURY TRIAL: Should any controversy arise by and between the Parties concerning any of the terms and conditions contained in this Lease, or the payment of monies due hereunder, each of the Parties hereby knowingly, voluntarily and intentionally waives its right to a jury trial and freely elects to be tried by a court of competent jurisdiction without a jury in the State of Maryland where the Leased Premises is located.

34. SIGNAGE: The Landlord shall provide a listing in the Building Directory and a Building standard suite sign at Landlord's sole cost and expense.

35. MAIL NOTICES: All notices required or desired to be given hereunder by either Party to the other shall be given certified or registered mail, postage prepaid, or sent by facsimile addressed to Landlord or County respectively. Notice to the respective Parties shall be addressed as follows:

LANDLORD:

Washington Real Estate Investment Trust
6110 Executive Boulevard, Suite 800
Rockville, Maryland 20852

COUNTY:

Montgomery County, Maryland Department of Public Works and Transportation
Office of Real Estate
101 Monroe Street, 10th Floor
Rockville, Maryland 20850
Attn: Director of Real Estate

With a copy that does not constitute a notice:

Office of the County Attorney for Montgomery County Maryland
101 Monroe Street, 3rd Floor
Rockville, Maryland 20850
Attn: County Attorney

SIGNATURE PAGE TO FOLLOW


IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be properly executed.

WITNESS:

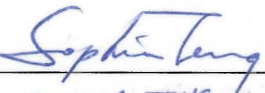
By: 
David A. DiNardo
Managing Director - Leasing

LANDLORD:

WASHINGTON REAL ESTATE
INVESTMENT TRUST

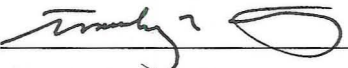
By: 
Title: **President**
Michael S. Pankstius
SVP-Real Estate

WITNESS:

By: 
SOPHIA TENG

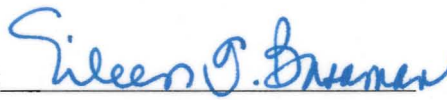
TENANT:

MONTGOMERY COUNTY

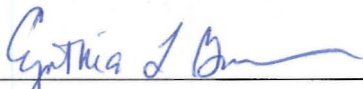
By: 
Timothy L. Firestine,
Chief Administrative Officer

Date: 7/13/2007

APPROVED AS TO FORM AND
LEGALITY OFFICE OF THE
COUNTY ATTORNEY

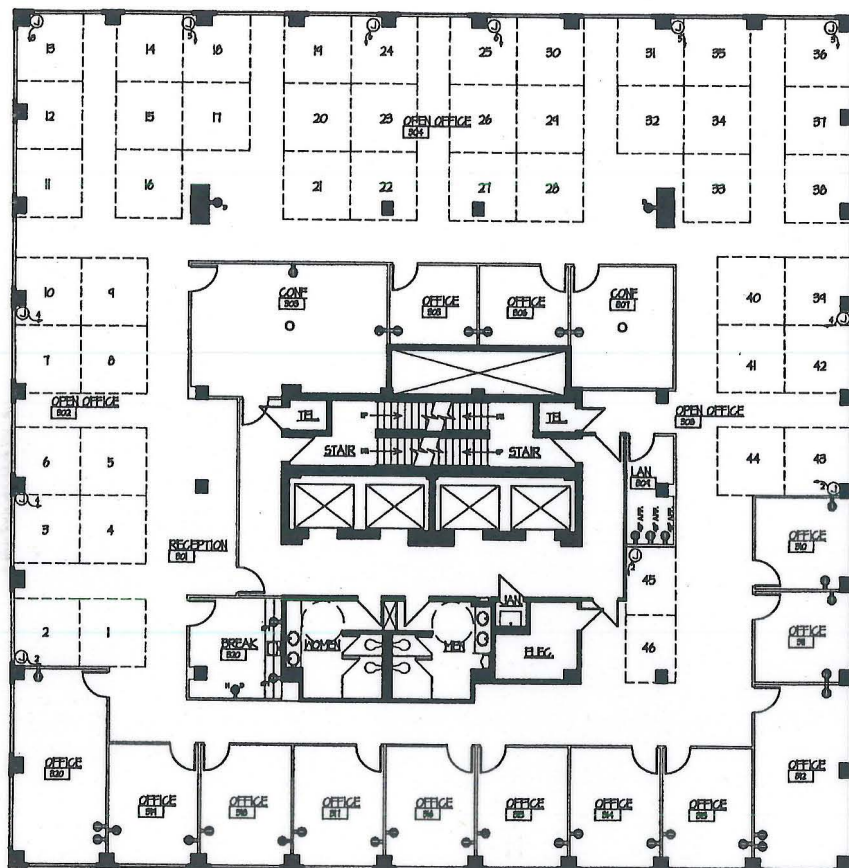
By: 
Associate County Attorney

RECOMMENDED

By: 
Cynthia Brenneman, Director
Office of Real Estate

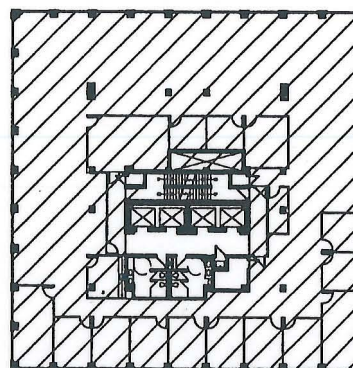
Date: 6/15/2007

Date: 6/13/07



FLOOR PLAN

NOT TO SCALE



KEY PLAN

- EXISTING CONSTRUCTION TO REMAIN.
- NEW CONSTRUCTION
- NEW DEMISING PARTITION
- EXISTING DOOR TO REMAIN
- NEW DOOR
- REGULAR RECEPTACLE
- DEDICATED RECEPTACLE
- JUNCTION BOX
- WALKER INFLOOR SYSTEMS - FLUSH POKE-THRU

EXHIBIT A - FLOOR PLAN

TENANT NAME: MONTGOMERY COUNTY
 SUITE NO.: 300
 PLAN DATE: 06/12/2001
 FLOOR PLAN SUBJECT TO LOCAL JURISDICTION APPROVAL AS REQUIRED PER CODE. HVAC, PLUMBING & ELECTRICAL TO BE PER CODE. ACTUAL DIMENSIONS MAY VARY SLIGHTLY FROM EXISTING CONDITIONS IN BUILDING. INFORMATION SHOWN IS AS ACCURATE AS POSSIBLE. REFER TO "EXHIBIT B - TENANT IMPROVEMENT - SPECIFICATIONS" FOR MORE INFORMATION. I HAVE REVIEWED, UNDERSTAND AND ACCEPT THIS PLAN.
 INITIAL BY TENANT: _____ INITIAL BY LANDLORD: _____

06/05/01 REVISION

WRIT
 WASHINGTON REAL ESTATE INVESTMENT TRUST
 6110 EXECUTIVE BOULEVARD - SUITE 800
 ROCKVILLE, MARYLAND 20852
 (301) 984-9400

MONTGOMERY COUNTY
 51 MONROE STREET
 SUITE 300
 ROCKVILLE, MARYLAND 20850

FLOOR PLAN

SHEET TITLE: _____
 SCALE: NOT TO SCALE
 DATE: 06/12/2001
 DRAWN BY: KNL
 SHEET NUMBER: 1
 SPEC. # - 5553-02

Exhibit B:

Tenant Improvements Specifications

- A. Landlord shall perform the following improvements to the Premises at Landlord's sole cost and expense in a workman-like manner and in accordance with applicable building codes and as shown on the attached Exhibit A - Floor Plan:
1. Demolition of existing walls, which would be required to provide the layout, as shown on the attached Exhibit A - Floor Plan. Patch and repair all adjacent surfaces affected by demolition work as required and prepare all surfaces for installation of new finishes as specified.
 2. Provide walls to be taped, blocked, skimmed, and sanded, ½" gypsum wallboard on both sides of 2½" metal studs, from the floor up to the underside of the suspended ceiling, as shown on the attached Exhibit A - Floor Plan.
 3. ***Provide a door bell for the suite entry door.***
 4. ***Provide one (1) new 3'-0" x 8'-0" x ½" thick butt glazed tempered glass suite entry door w/ 626 brushed chrome finish ADA panic hardware lockset by Blumcraft (H-100-B - DB100D - 1000-118 1 1/8" A02) or approved equal.***
 5. Provide ***one (1)*** new 3'-0" x 8'-0" suite entry door, flush, solid core, pre-finished seven ply wood veneer, Mohawk Premium 2000 Dark Brown, from the corridor as shown on the Floor Plan, with 626 brushed chrome finish Corbin Russwin Mortise lockset, function ML22.
 6. Provide three (3) new 3'-0" x 7'-0" solid core paint grade interior doors in painted metal frame for Conferences (303 & 307) and Break (320) as shown on the Floor Plan, with S10D NEP-626 cylindrical passage lever hardware sets by Schlage.
 7. Provide ***fourteen (14)*** new 3'-0" x 7'-0" solid core paint grade interior doors in painted metal frame for Offices (305, 306, & 310 - 320) and Lan (309) as shown on the Floor Plan, with S70PD NEP-626 cylindrical lever locksets by Schlage.
 8. Provide one of the following carpets throughout Premises unless otherwise noted. Tenant to select one color from manufacturer's standard selections, based on manufacturer's availability. Carpet installation over pad is available at an additional cost.
 - a. Bigelow Commercial, No Barriers, Quick Ship Collection - textured patterned loop, level heathered loop, & solid color cut pile, direct glue down carpet.
 - b. Bigelow Commercial, No Limits, Quick Ship Collection - patterned loop graphic, tufted, textured loop, & textured loop graphic, direct glue down carpet.
 9. Provide Johnsonite, 4-1/4" high rubber tight-lock base at carpeted areas and 4-1/4" high rubber cove base at areas at resilient flooring. Roll coiled goods only. Provide rubber transition strip between dissimilar materials. Tenant to select one color from manufacturer's standard selections and based on manufacturer's availability.
 10. Provide two coats Sherwin Williams, McCormick, or equal, Acrylic Vinyl Flat latex (VOC compliance) paint throughout on all the walls. Tenant to select one color to be throughout. Provide two coats of Sherwin Williams, McCormick, or equal, Interior Enamel semi-gloss paint on all door frames throughout. Door frames painted to match the adjacent walls.
 11. ***Existing building standard 2' x 4' fissured acoustical ceiling tile in existing suspended ceiling grid system to remain. Replace all stained, damaged and missing tiles. Touch up and repair grid as required where demolition of existing walls affect existing grid.***
 12. Existing mini-line blinds with baked enamel finish for all exterior windows within the Tenant's suite to remain, replace, or repair any damaged or missing mini blinds.
 13. Provide an Elkay #LRAD2522 ADA stainless steel sink with Delta #100-WF single handle faucet with hot and cold water in a 11'-9" (+/-) plastic laminate countertop at 34" A.F.F. with base cabinets below and wall cabinets above at the location shown on the Floor Plan. Tenant to select from the following Merillat cabinetry options (format: Material Basis, Cabinetry Line, Material Finish):
 - a. Maple, "Seneca Ridge - Raised Panel," Square, Natural; or

- b. Maple, "Spring Valley - Recessed Panel," Square, Natural; or
- c. Oak, "Seneca Ridge - Raised Panel," Square, Natural; or
- d. Oak, "Spring Valley - Recessed Panel," Square, Natural; or
- e. Laminate, "Whitebay II," Square, White; or
- f. Laminate, "Arbor Falls II," Square, White.

Tenant to select one color of plastic laminate from Formica manufacturer's standard selections based on manufacturer's availability. Provide a duplex receptacle for the refrigerator, one for the microwave, and one ground-fault circuit-interrupt duplex receptacles at counter-height for the coffee maker. All appliances are Tenant-provided, U.N.O.

14. Provide the following electrical and/or mechanical in the suite, if existing then to remain, or provide new to make up the difference as follows:
 - a. Provide regular & dedicated duplex and quad receptacles as shown on the Floor Plan, either existing or provide additional to meet this requirement. No new outlets, or tenant telephone and computer receptacles will be permitted on building exterior window walls. New outlet covers are to have stainless steel finish.
 - b. Provide three (3) NEMA 16-30P - 160-280V dedicated duplex receptacles @ 48" A.F.F. for Lan (309) as shown on the Floor Plan.
 - c. New switch covers are to have stainless steel finish.
 - d. Provide & install two (2) new Walker Infloor Systems - Flush Poke-Thru - RC3 Series - #RC3ARTTCBK by Wiremold and associated electrical for Conferences (303 & 307) as shown on the floor plan.
 - e. Provide power to twelve (12) junction boxes to be 8 wire 4 circuit for Open Offices (302, 304, & 308) for Tenant provided system as shown on the Floor Plan.
 - f. ***Reuse and relocate existing building standard fluorescent light fixtures (2' x 4' recessed fluorescent light fixtures, Lithonia 2PM3NGD_3_32 18LDMVOLT, with parabolic lenses and cool white high efficiency ballast with T-8 tubes) at a ratio of 1 fixture per 80 useable square feet as required by new layout.***
 - g. Exit lights, Lithonia LQMSWR-120/277-ELN, and emergency lights, Lithonia ELM2-120/277, as required by code.
 - h. Relocate HVAC 2' x 2' lay-in diffusers and grilles as required in each room or area so that there is 1 supply diffuser and 1 return grille in each typical room and provide fire dampers if required by code.
 - i. Provide a water line for Tenant provided Refrigerator for Break (321) as shown on the Floor Plan.
 - j. Landlord shall not provide Tenant's telephone and or computer lines, jacks and or equipment. Landlord shall, however, coordinate with Tenant's low-voltage wiring subcontractor for such installation.
 - k. Tenant will confirm with the Landlord all of the locations for all of the above mentioned new items a. and b.
15. All existing electrical, telephone and data outlets to remain unless otherwise noted.

- B. Tenant shall be solely responsible for all of Tenant's systems furniture requirements and installation, including but not limited to, layout, installation, permits, wiring and connections. In addition, Tenant shall be solely responsible for all of Tenant's low-voltage wiring serving the Premises, including but not limited to telephone, data and security.
- C. Except as otherwise set forth in Paragraph A above, Tenant, at its own cost, will be responsible for all other improvements to the Premises including, but not limited to ceiling, wall, floor and window coverings, lighting, fixtures, and other equipment.
- D. Tenant shall furnish the Landlord its electric and telephone locations as well as all other selections required by the Tenant (i.e. paint, carpet, cove base) no later than five (5) business days after the full execution of this Lease. Any delay to the improvements to be performed by the Landlord outlined in this Exhibit B for any reason caused by Tenant shall be considered a "Tenant Delay" such as: 1) Delays in time caused as a direct result of modifications to the floor plan and/or specifications as described in this Exhibit B; 2)

Additional items required above and beyond the scope of Exhibit A or B for the Premises after lease execution; 3) Failure to make selections in a timely manner; 4) Delays caused by the Tenant's architect, contractor or other consultants; 5) Tenant's failure to grant Landlord or its agents or contractors timely access to the Premises; 6) Any other delay or stoppage of construction requested or caused by Tenant. In the event of any such Tenant Delay, the Lease Commencement Date shall be the date of delivery of the Premises, minus the total number of days of any Tenant Delay. A deadline delivery date by the Landlord, if one is specified in the Lease, shall be extended by the total number of days of any such Tenant Delay.

- E. For all purposes under the Lease, Landlord's Work shall be deemed to be substantially complete when Landlord's Work, as defined in Exhibit B, is entirely completed except for minor punch list items and long-lead items, the completion of which shall not materially interfere with Tenant's use of the Premises.

Signed by:

TENANT:

MONTGOMERY COUNTY, MD
Company Name

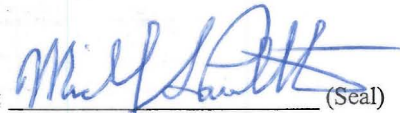

Signature

TIMOTHY L. FIRESTONE
CHIEF ADMINISTRATIVE OFFICER
Name, Title

7/18/2007
Date

LANDLORD:

By: WASHINGTON REAL ESTATE
INVESTMENT TRUST

By:  (Seal)
(Signature Here)

Name: George F. McKenzie
Title: President & Chief Executive Officer

Michael S. Pankstius
SVP-Real Estate

EXHIBIT C
ESTOPPEL CERTIFICATE

TENANT ESTOPPEL CERTIFICATE

To: _____, its successors and/or assigns ("**Lender**")
_____, its successors and/or assigns ("**Purchaser**")

Re: Property Address: _____ ("**Property**")
Lease Date: _____
Between _____ ("**Landlord**") and
Montgomery County, Maryland ("**Tenant**")
Square Footage Leased: _____
Suite No./Floor: _____ ("**Premises**")

Landlord has requested that Tenant provide Landlord with an estoppel certificate as permitted from time to time under the terms of the above-referenced lease ("**Lease**"). Tenant hereby acknowledges the following:

- (1) The Lease, which includes the Lease and all amendments to the Lease attached as Exhibit "A", is a true, correct, and complete copy of the Lease, as amended; is in full force and effect; and has not been modified, supplemented, or amended in any way other than in writing attached as part of Exhibit A. The Lease as amended in Exhibit A represents the entire agreement between the Landlord and Tenant as to the Premises or any part of the Premises.
- (2) The Lease Term commenced on _____, and terminates on _____. The Lease provides for _____ renewal/extension option(s) of _____ (months/years) each. Tenant has exercised _____ renewal/extension options on the date that this Certificate is issued by Tenant.
- (3) The amount of fixed monthly rent is \$ _____; the monthly common area or other charges are \$ _____. The base year for operating expenses and real estate taxes, as defined in the Lease, is calendar year 200__.
- (4) Tenant paid no security deposit under the terms of the Lease. Tenant has paid rent for the Premises through _____, 200__.
- (5) Tenant currently occupies the Premises.
- (6) All work to be completed by Landlord for the Tenant prior to occupancy has been performed as required and has been accepted by the Tenant (if not, specify what punch list or other items remain to be completed, and the amount budgeted for completion; and any payments, free rent, or other payments, credits, allowances or

abatements required to be given by Landlord up to the date of issuance of this Certificate have been credited or paid to Tenant.

- (7) As of the date that this Certificate is issued by Tenant, Tenant has no knowledge of any default by Landlord other than those specified in Exhibit B, attached. As of the date that this Certificate is issued by Tenant, Tenant has no knowledge of any offset, defense, deduction or claim against Landlord other than those listed in Exhibit B, attached.
- (8) Tenant is not in default under the Lease.
- (9) Tenant has not assigned the Lease or sublet all or any portion of the Premises, except as listed in Exhibit C, attached. Any sublease or assignment documents are attached as part of Exhibit C.
- (10) Any notices to be sent to Tenant should be sent in the form required in the Lease to:

Montgomery County, Maryland
Department of Public Works & Transportation
Office of Real Estate
101 Monroe Street, 10th Floor
Rockville, MD 20850
Attn: Director

With a copy that does not constitute notice to:

Office of the County Attorney
101 Monroe Street, 3rd Floor
Rockville, MD 20850
Attn: County Attorney

TENANT:
Montgomery County, Maryland

By: _____
Timothy L. Firestine
Chief Administrative Officer